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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Establishment of a Peace-keeping Reserve Fund

Note by the Secretary-General

1. By resolution 47/217 of 23 December 1992, the General Assembly decided to establish, under the authority of the Secretary-General, effective 1 January 1993, a Peace-keeping Reserve Fund as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peace-keeping operations and decided that the level of the Peace-keeping Reserve Fund should be $150 million.

2. In paragraph (j) of the same resolution, the General Assembly decided to address the issue of the imputation of interest income earned in the Peace-keeping Reserve Fund at the earliest opportunity during its forty-seventh session. In paragraph (l), the Assembly further requested the Secretary-General to report on actions taken to implement the resolution at the earliest opportunity during its forty-seventh session.

3. The present note is to inform the General Assembly that the Peace-keeping Reserve Fund has been established. In accordance with paragraph (f) (i) of resolution 47/217, an initial amount of $59 million was transferred to the Peace-keeping Reserve Fund, pending the closure of the accounts as at 31 December 1992. The $59 million consisted of $42 million from the special account of the United Nations Transition Assistance Group (UNTAG) and $17 million from the special account of the United Nations Iran-Iraq Military Observer Group (UNIIMOG). Transfer of residual amounts will be made to the Peace-keeping Reserve Fund as soon as the special accounts of UNTAG and UNIIMOG are closed as at 31 December 1992.

4. The remaining amount required to provide cash to the Peace-keeping Reserve Fund will be financed from the amount retained pursuant to General Assembly resolution 42/216 A of 21 December 1987. In view of the substantial unpaid assessments owing to the regular budget, it is not expected that a cash contribution to the Peace-keeping Reserve Fund from the unpaid assessments will be available for some time. Upon receipt of unpaid assessments, priority will be given to repaying amounts owed to the Special Account and the Working Capital Fund before payment can be made to the Peace-keeping Reserve Fund.

5. A total of $32.9 million has been loaned to certain peace-keeping operations from the Peace-keeping Reserve Fund to meet their temporary cash shortages. The amount of $32.9 million consists of $15.9 million loaned to the special account of the United Nations Angola Verification Mission (UNAVEM), $12 million loaned to the special account of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) and $5 million loaned to the special account of the United Nations Observer Mission in El Salvador (ONUSAL). In addition, with the concurrence of the Advisory Committee on Administrative and Budgetary Questions under unforeseen and extraordinary expenses, an amount of $9.5 million has been earmarked from the Peace-keeping Reserve Fund to meet initial costs associated with the United Nations Operation in Mozambique (ONUMOZ). The available balance in the Peace-keeping Reserve Fund amounts to $16.6 million.

6. A separate document indicating Member States' shares of the Peace-keeping Reserve Fund on the basis of the ad hoc apportionment as set out in General Assembly resolution 45/247 of 21 December 1990 will be issued at a later date.